

# Status Report Addition of Cash Lanes

LOUISIANA 1 EXPRESSWAY  
LOUISIANA DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT

# Background

- Toll System Assessment Report (04/2011)
  - Out of State Drivers
  - High Violation Rate
  - User Inconvenience

# Cash Option

## Use Existing Structure to Install Cash Lanes

- Lowest Cost Alternative
- Installation/Construction time 6 – 9 months

*only*

### Issues

- Lane width not sufficient for permit wide loads

### Alternatives

- Only One Cash Lane
- ATPM in Series

# Other Options

## Construct New Adjacent Structure

- Add two lane ramp on North Side for Cash Lanes
- Widen bridge deck on South Side
- Issues
  - Construction Time
  - Cost

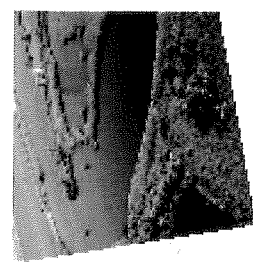
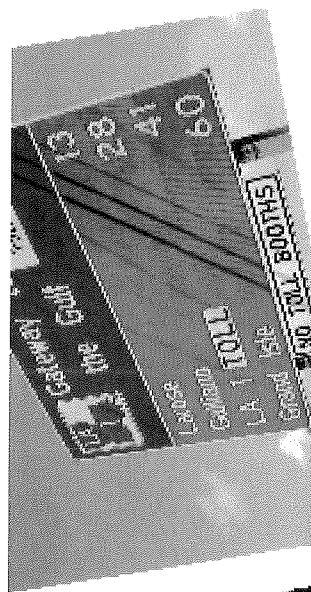


# Other Options

## Widen LA 1

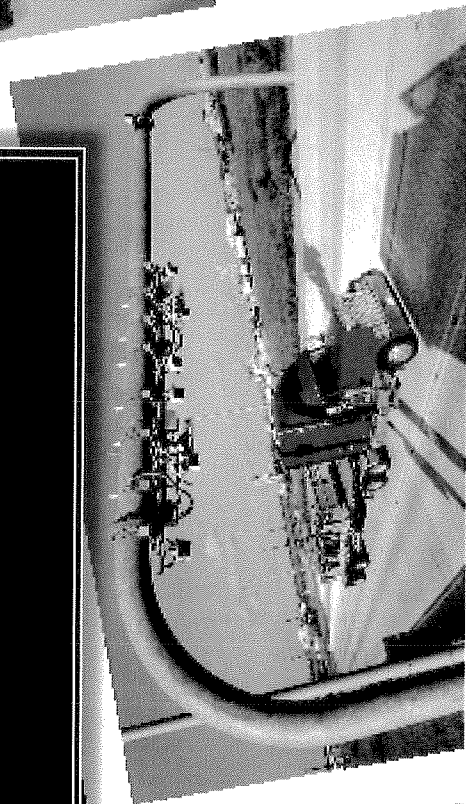
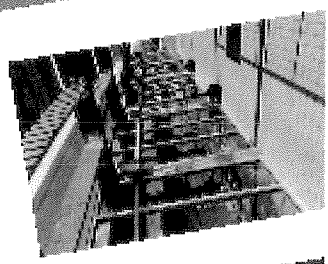
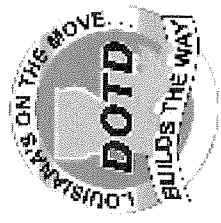
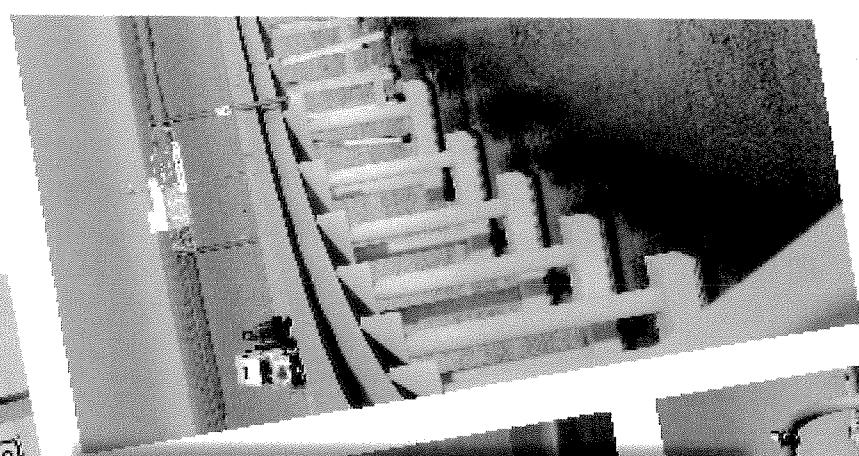
- Add lanes in roadway section to install cash lanes
- Issues
  - Additional right-of-way and permits





# ETCC Settlement Agreement

LOUISIANA 1 EXPRESSWAY  
LOUISIANA DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT



# Agenda

- Summary of Settlement
- In Scope Work
- Out of Scope Pre-Maintenance Work
- Out of Scope Efficiency Upgrades
- Long Term System Maintenance
- Schedule of Activities
- Schedule of Costs

# Summary of Settlement

- Based on a compromise of DOTD claims and ETC counterclaims.
- Protects LTA's interest in the completion of and correction of deficiencies in the LA 1 / Leesville Bridge Toll Facility.
- DOTD released ETC from claims totaling approximately \$2 million (lost toll revenue and costs)
- ETC released DOTD from claims totaling approximately \$5 million (Invoice Claims, and Claims for Extra Work and Extra Costs)
- Payments by DOTD (\$1,008,517.74) for approved invoices for work performed and completed by ETC



## Summary of Settlement (cont'd)

- A future payment (\$1.5 million) for a release from all further invoice claims under the Contract, paid in increments as ETC completes work necessary to complete the original scope of the Toll Collection System.
- DOTD is committed for other payments for Pre-Maintenance Work, for Long Term Maintenance, and for System Efficiency Upgrades that DOTD may choose to order

## Summary of Settlement (cont'd)

- ETC is committed to:
  - Complete and correct deficiencies in the Toll Collection System.
  - Provide Long-Term System Maintenance.
  - Make certain necessary upgrades to the system that will make the operation of the toll facilities more cost-efficient.
  - Escrow a complete copy of the proprietary software source code.
  - Perform the integration and installation work necessary to implement of the new APTM or cash lanes at the LA 1 Toll Facility - at no cost to DOTD.

## In-Scope Work

- 7 items identified to be completed
  - 5 items related to system generated reports
  - 1 item related to termination codes in the Violation Processing System
  - 1 item related Executive Dashboard
- Claim settlement payment of \$1.5m tied to progress milestones on these 7 items
- 120 days to complete

# Out-of Scope Pre-Maintenance Work

## Phase

- Phase 1
  - Lane equipment tuning to rectify changes that have been made by current maintenance provider
  - Resolution of server and database maintenance items, including:
    - Implementing Oracle, Linux patches *ETU* *5/11/14*
    - Refreshing development and testing environments
    - Data reconciliation
- Contract time for Phase 1 is 45 days from NTP

## Out-of Scope Pre-Maintenance Work Phase (cont'd)

- Phase 2
  - Major Oracle database upgrade
- 135 days after completion of Phase 1
- Total Task Order cost for Phase 1 and 2 is \$172,000



## Out-of-Scope System Efficiency Upgrades

- HNTB Assessment Report identified multiple items to bring the Toll Collection System up to industry standards and further improve the collection of revenue and make the processing of transactions more efficient

## Out-of-Scope System Efficiencies (cont'd)

- Task Order for those changes that have been fully defined, 15 items, including:
  - Low Balance Issues
  - Industry Standard Violation Pursuit processes
  - Industry Standard Customer Notifications
  - Additional violation reports to assist better accounting of revenues
- Items being prioritized to ensure increased revenue collection

## Out-of-Scope System Efficiencies (cont'd)

- Task order cost is \$630,000
- Estimated time to complete all items in this task order is 210 days from NTP. *not time to proceed*
- Additional efficiencies requirements to be fully defined, ETC will provide a cost estimate and a ROI will be done before an additional task order is issued.

# Long Term Maintenance Agreement

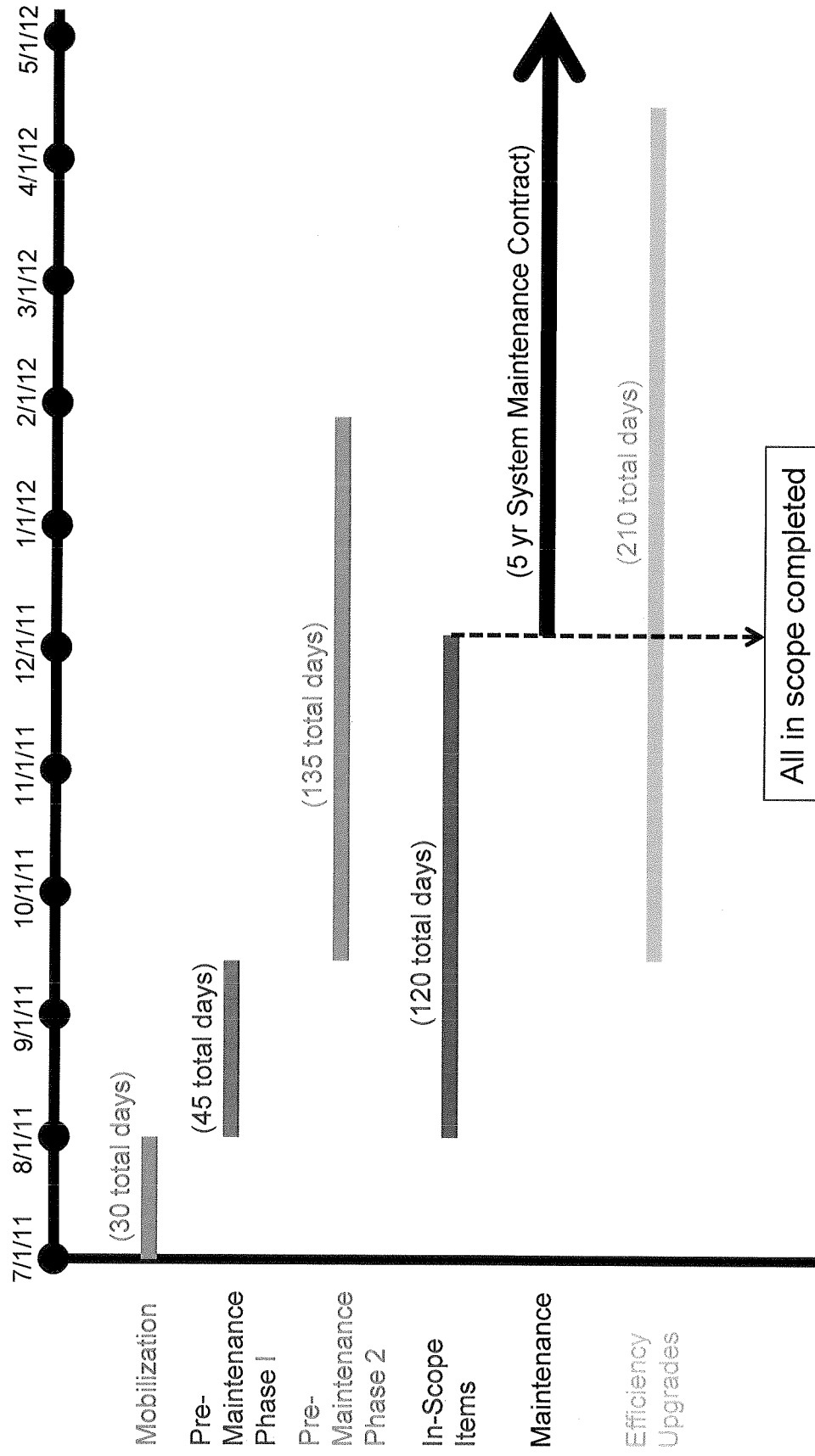
- 5 yr term with an additional four 1 yr options
- Annual Fee of \$915,000
- Replaces current maintenance service contract with a different service provider
- 12 hour weekday coverage, 8 hour weekends
- 2 FTEs on-site for lane hardware maintenance
- 1 remote shared FTE for general application support and minor enhancements
- Shared remote resources for back-office maintenance including database and server maintenance

# Long Term Maintenance Agreement (cont'd)

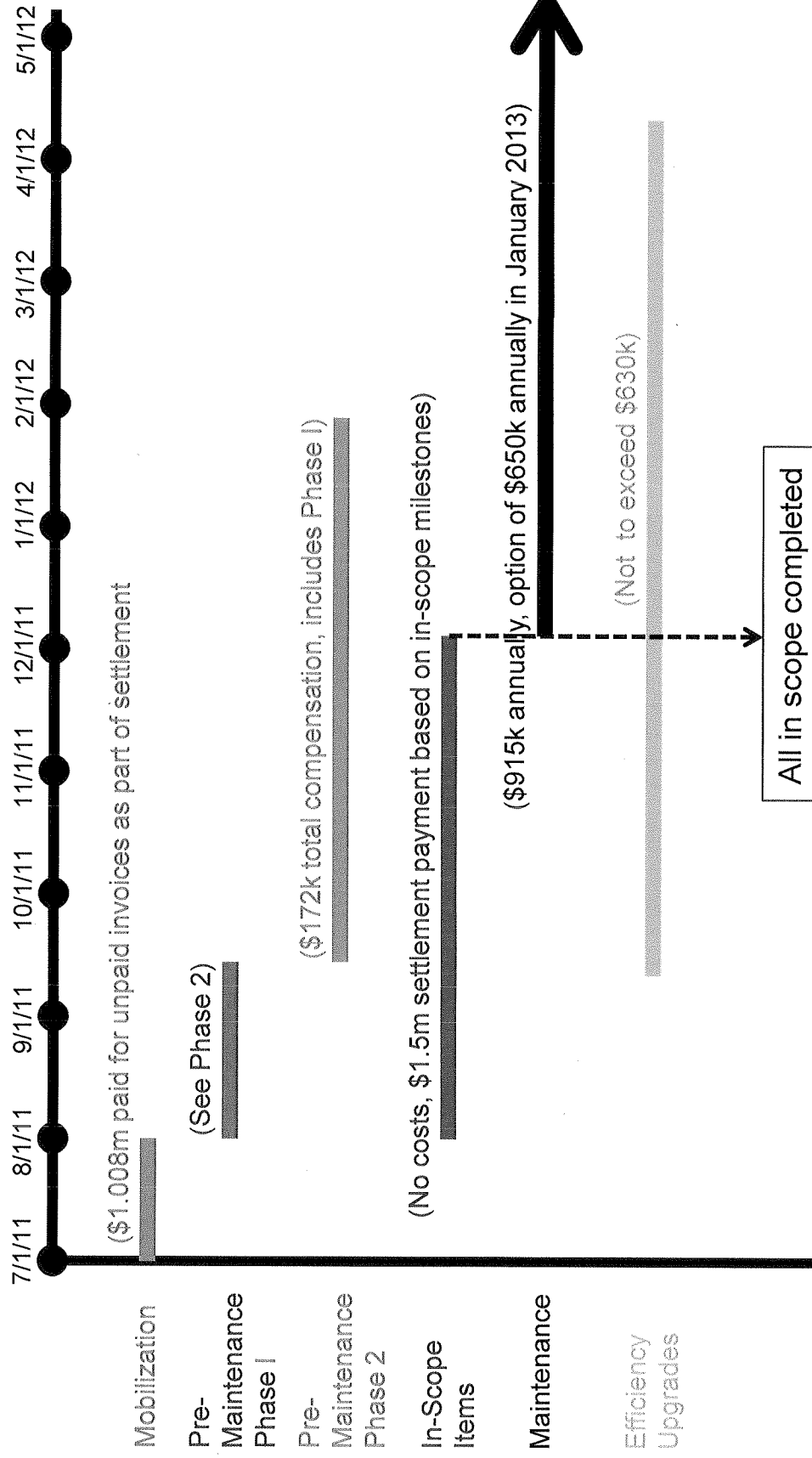
- LADOTD protections
  - Service Level Requirements
  - System Accuracy Requirements
  - Regular reporting of activities
  - Price adjustment, similar to liquidated damages for non conformance of requirements or delayed reporting
  - Ability to downsize maintenance levels in 2013 post sunset of tolls on CCCD Bridge in New Orleans



# Schedule of Activities



# Schedule of Costs





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## **LADOTD and ETC Corporation Reach Settlement Agreement**

Baton Rouge, Louisiana and Richardson, Texas (July X, 2011) – The Louisiana Department of Transportation and Development (LADOTD) and Electronic Transaction Consultants Corporation (ETC or ETC Corporation) today announced that they have reached a settlement agreement whereby the lawsuits between the two organizations have been withdrawn.

As part of the negotiated settlement, LADOTD and ETC have agreed on changes that will be made to the tolling systems used for the Crescent City Connection Bridge (CCCD) and the Leesville Bridge on Louisiana Highway 1 (LA1). Additionally, ETC Corporation will provide maintenance for the newly-completed toll collection system.

Because of the time that has elapsed since the initial dispute, multiple upgrades and efficiencies are now needed to support the tolling operations in Louisiana and bring them up to current industry standards. It is necessary for ETC to make these modifications and new efficiency upgrades because it is their proprietary system.

The settlement agreement releases an initial \$1 million in funding being withheld by the Department based the disagreement between the state and ETC regarding system performance and provides for a newly-negotiated maintenance agreement. Once the tolling system is completed and passes system analysis testing, LADOTD will pay the remaining \$1.5 million incrementally, as critical milestones are met and approved by the state, which will complete the funding of the originally contracted services.

The upgrades and maintenance agreement for both the CCCD and LA1 tolling facilities will cost the state \$915,000 annually, which is standard for tolling maintenance costs for facilities across the country. However, the contract provides for flexibility in the maintenance agreement by allowing the reduction in cost based on the pending sunset of the CCCD tolls in 2012 and accountability with a performance-based structure. The maintenance agreement provides for monetary deductions for failure to meet documented maintenance performance standards.

In early 2011, LADOTD retained the services of a toll industry consultant, HNTB, to assess the toll collection systems and provide recommendations. HNTB provided information to better inform the legal negotiations between LADOTD and ETC Corporation.

LADOTD Secretary Sherri H. LeBas stated, “We are eager to see the citizens of Louisiana get the tolling service product that they deserve, coupled with the reporting and accountability elements that the state needs to provide oversight and management of its tolling facilities.”

Tim Gallagher, Managing Director of ETC, stated, "We are very grateful for the Department's willingness to restart discussions and work with ETC for the benefit of the project. ETC is extremely pleased to have resolved this matter in the best interest of both parties. We look forward to working closely with the Department to ensure that their toll collection systems provide great value to the State of Louisiana."

**About LADOTD:** The Louisiana Department of Transportation and Development is committed to delivering transportation and public works systems that enhance the quality of life. In addition to more than 16,600 miles of roadway, including over 890 miles of interstate, the Department supports the development of the state's aviation, marine and rail infrastructures. Through this work, it is able to facilitate economic development, create job opportunities, improve vital evacuation routes, and make critical freight corridors safer and more efficient.

**About ETC Corporation:** For more than a decade, ETC Corporation has delivered innovative solutions to the toll industry that increase mobility, improve operational efficiency, and support high levels of customer service. Today, ETC's solutions collect nearly one-third of the toll transactions in the United States on some of the most technically advanced toll facilities in the industry. These solutions enable all-electronic toll collection, dynamic pricing, HOT lanes, interoperability, and open road tolling. ETC's lane-to-back office integrated solutions are supported by an impressive array of operations and maintenance services. ETC offers its solutions and services as both a customer-delivered model as well as through a hosted environment at ETC's state-of-the-art data and operations center. [www.etcc.com](http://www.etcc.com).

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